



CITY OF LODI

COUNCIL COMMUNICATION

AGENDA TITLE: Authorize the City Manager to execute a contract with JACO Environmental, Incorporated to coordinate the Lodi Refrigerator/Freezer Recycling Project.

MEETING DATE: February 5, 2003

PREPARED BY: Electric Utility Director

RECOMMENDED ACTION: That the City Council authorize the City Manager to execute a contract with JACO Environmental, Incorporated to coordinate the Lodi Refrigerator/Freezer Recycling Project.

BACKGROUND INFORMATION: The City of Lodi Electric Utility offered the Lodi Refrigerator/Freezer Recycling Project on two occasions in 2002 to residential/small commercial electric utility customers. Both efforts were extremely successful, with just over 700 used, inefficient refrigerators and/or freezers being recycled here in our community. As a result of these two successful endeavors, and a grant in the amount of \$25,000 from the California Energy Commission, the City of Lodi Electric Utility is proposing to offer the program once again this month. The project is designed as follows:

- the recycling program will begin on February 10, 2003, and be offered to Lodi residential and small commercial customers until funds are exhausted;
- customers must receive their electric utility service from the City of Lodi;
- customers will receive a rebate in the amount of \$35 for each *working* refrigerator or freezer- *maximum rebate will be \$35 per customer service address*; the City of Lodi will accept non-working refrigerators or freezers (one per customer service address), however, no rebate will be provided to the customer; and
- the City of Lodi Electric Utility will contract with JACO Environmental, Incorporated for all customer contact, refrigerator/freezer pick-up and appropriate disposal.

Note: The City of Lodi Electric Utility utilized JACO Environmental, Incorporated for the two previous recycling projects in 2002. For this aforementioned reason, the City of Lodi Electric Utility respectfully requests that the Lodi City Council dispense with going out to bid pursuant to Lodi Municipal Code 3.20.070.

Note: The \$25,000 grant from the California Energy Commission is a result of funds allocated through Senate Bill 5X (2001-2002) to both public and private electric utility providers throughout the state for various demand-side management projects.

JACO Environmental will utilize one company-owned and operated truck for pick-up of refrigerators and/or freezers for the Lodi project. All used appliances will be taken to a JACO warehouse outside the Lodi community, where the units are dismantled for recycling purposes.

The City of Lodi Electric Utility has three main goals for this project:

- 1) promote and encourage proper recycling of aging refrigerators and freezers;
- 2) further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property;
- 3) promote energy efficiency for local residents and business owners by assisting in the removal of aging and energy *inefficient* appliances.

APPROVED: _____

H. Dixon Flynn - City Manager



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Staff anticipates that an additional 150 used refrigerators/freezers will be appropriately recycled under this proposed project. The City of Lodi Electric Utility respectfully recommends approval of the Lodi Refrigerator/Freezer Recycling Project as an approved element of the City of Lodi Public Benefits Program.

FUNDING: Not applicable

A handwritten signature in dark ink, appearing to read "Alan N. Vallow".

Alan N. Vallow
Electric Utility Director

PREPARED BY: Rob Lechner, Manager of Customer Service and Programs
ANV/RL/lst

C: City Attorney

APPROVED: _____

A handwritten signature in dark ink, appearing to read "H. Dixon Flynn".

H. Dixon Flynn - City Manager

J A C O

Environmental

REFRIGERATOR RECYCLING CONTRACT

This contract between The City of Lodi (hereinafter "Lodi") and JACO Environmental, Inc. (hereinafter JACO) sets forth the terms and conditions under which JACO will provide the services described herein. Lodi and JACO agree as follows:

SCOPE OF SERVICES

JACO agrees to perform a refrigerator/freezer recycling program for Lodi in strict conformity with the terms and conditions of this contract. JACO will provide the following services to Lodi under this agreement:

- JACO will provide a toll-free number and a website for customer registration. The toll-free number (800-299-7573) will be answered from 8-5 Monday-Friday and 10-2 on Saturday. The website (www.appliancerecycling.com) will be available 24 hours a day/7 days a week.
- JACO will book pickup schedules in either a.m or p.m slots on the day the customer choose. Exact times cannot be given. Collection operations will be Monday-Saturday. Sundays will not be scheduled. JACO phone operators can field calls in 5 languages and the hearing impaired.
- Refrigerators and freezers will be picked up at the customer's home on the scheduled date. The 2-man collection crew will complete a triplicate information form (to be designed and furnished by JACO with Lodi approval) and have the customer sign it. They retain a copy for their records and as a receipt for the incentive payment.
- Appliances will be taken to the truck for disabling. The power cord is cut, the cold control is smashed, gaskets are removed, and red Xs are sprayed on the side to indicate the unit is not to be resold.
- The corresponding number from the triplicate data form is written on the side for tracking purposes. The appliance is then loaded into the truck for delivery to the Hayward, CA. recycling facility. All trucks are modern 18'-24' diesels with lift gates, cell phones, and 2-way radios. They will be signed with the JACO logo and the 800 number. Lodi can include their logo if desired.
- If the customer is not home a door tag will be placed on the doorknob with a number to call and reschedule.
- If the customer does not speak English the crew will tie them into the JACO call center and a translator will assist with the transaction.

- Non-working refrigerators and freezers can be dropped off at a designated site on selected Saturdays. JACO will provide a truck and crew to handle and transport these units. Non-working units will not qualify for incentive payments but will be recycled at no charge to the customer, however they must provide proof that they are a Lodi customer by presenting an electric bill.
- The recycling process will include refrigerant evacuation and recycling, compressor oil recycling, PCB destruction as hazardous waste, and recycling metals, glass, and plastics. Polyurethane insulation containing CFC-11 will be removed and destroyed leaving no harmful by-products.
- JACO will provide documentation for all recycling and destruction operations to Lodi within 30 days of contract completion.

TERM OF AGREEMENT

The term of this agreement shall be from February 10, 2003 until April 10, 2003. The phone center will begin customer registration on February 10, 2003 and will schedule collection operations to begin on February 10, 2003. Collection and recycling will extend for no more than 60 days from the February 10, 2003 beginning date or until the budget is expended.

ADVERTISING, MARKETING, AND PUBLIC RELATIONS

All advertising, marketing, and public relations will be the sole responsibility of Lodi, which includes all costs associated with the campaign. JACO agrees to provide consulting services and allow Lodi to use the JACO print ad for the term of this contract. Lodi agrees to place the JACO logo in all print ads. JACO will provide Lodi with velox templates for these ads.

INSURANCE

JACO agrees to maintain a \$2,000,000 general liability policy, vehicle liability policy, and workers compensation policy at all times for actions reformed under this agreement. JACO will also maintain a \$1,000,000 environmental impairment liability policy at all times for actions performed under this agreement. Lodi will be named co-insured/ additionally insured on all policies.

JACO agrees to provide Lodi with a certificate of insurance indicating required coverages and designating Lodi as additional insured. The Certificate of insurance provided by JACO shall be endorsed to state the City of Lodi, the City of Lodi Electric Utility, its City Council, directors, boards, commissions, officers, agents and employees are additional insured's. Said insurance policy shall also be endorsed to include the following language: "Such insurance as is afforded by the endorsement for the Additional Insured's shall apply as primary insurance. Any other insurance maintained by the City of Lodi or its officers and employees shall be excess only and not contributing with the coinsurance afforded by the endorsement".

CONTRACT PRICE AND TERMS

JACO will be compensated for their services within 30 days after completion and final billing. The cost to Lodi is as follows;

\$120.00 for each working appliance that is picked up at a customer's home as a result of an appointment made by the JACO call center or on the website. The maximum will be 154 units or \$18,480.

JACO will not be responsible for paying or dispersing incentive payments to Lodi customers under this agreement.

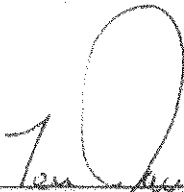
COMPLIANCE WITH LAWS, PERMITS, AND LICENSES

JACO shall maintain all applicable permits, licenses, and fees necessary to perform this contract. JACO will also be responsible to ensure that any and all sub-contractors hired in connection with this contract maintain all applicable permits, licenses, fees, and insurances necessary to perform under the terms and conditions of this contract.

INDEMNITY CLAUSE

JACO shall indemnify, defend, and hold harmless the City of Lodi, the City of Lodi Electric utility, it's City Council, directors, officers, agents, and employees against all claims, loss, damage, expense, and liability arising out of or in any way connected with the performance of this contract and excepting only such loss, damage, or liability as may be caused by the intentional acts or sole negligence or the City of Lodi, and the City of Lodi Electric Utility.

AGREED AND ACCEPTED THIS _____ DAY OF _____ 2003



JACO ENVIRONMENTAL, INC.
TERRY JACOBSEN
PRESIDENT

MANAGER, CITY OF LODI



ATTORNEY, CITY OF LODI

SEAL OF CITY OF LODI CLERK

RESOLUTION NO. 2003-14

A RESOLUTION OF THE LODI CITY COUNCIL AUTHORIZING
THE CITY MANAGER TO EXECUTE A CONTRACT WITH
JACO ENVIRONMENTAL, INC., TO COORDINATE AND
MANAGE THE LODI REFRIGERATOR/FREEZER
RECYCLING PROJECT

WHEREAS, Lodi Municipal Code §3.20.070 authorizes dispensing with bids for purchases of supplies, services, or equipment when it is in the best interest of the City to do so; and

WHEREAS, the City of Lodi Electric Utility has previously offered the Lodi Refrigerator/Freezer Recycling Project on two occasions in 2002 to residential/small commercial electric utility customers. Both efforts were extremely successful with just over 700 used, inefficient refrigerators and/or freezers being recycled here in our community. As a result of these two successful endeavors and a grant in the amount of \$25,000.00 from the California Energy Commission, the City of Lodi Electric Utility is proposing to offer the program once again this month. The project is designed as follows:

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WHEREAS, the City of Lodi Electric Utility has three main goals for this project:

- 1) *promote and encourage proper recycling of aging refrigerators and freezers;*
- 2) *further protect our environment by ensuring that old refrigerators and freezers are not dumped in alley ways, parking lots, vacant lots, or surrounding agricultural property; and*
- 3) *promote energy conservation for local residents and business owners by assisting in the removal of aging and energy inefficient appliances.*

WHEREAS, the City of Lodi Electric Utility recommends authorizing the City Manager to execute a contract with JACO Environmental, Inc., to coordinate and manage the Lodi Refrigerator/Freezer Recycling Project utilizing grant funding in the amount of \$25,000.00 received from the California Energy Commission.

NOW, THEREFORE, BE IT RESOLVED that the Lodi City Council hereby authorizes the City Manager to execute a contract with JACO Environmental, Inc., to coordinate and manage the Lodi Refrigerator/Freezer Recycling Project utilizing grant funding in the amount of \$25,000.00 received from the California Energy Commission; and

BE IT FURTHER RESOLVED that this program will begin on February 10, 2003, and shall continue until funds are exhausted.

Dated: February 5, 2003

I hereby certify that Resolution No. 2003-14 was passed and adopted by the Lodi City Council in a regular meeting held February 5, 2003 by the following vote:

AYES: COUNCIL MEMBERS – Beckman, Hansen, Howard, Land, and Mayor Hitchcock

NOES: COUNCIL MEMBERS – None

ABSENT: COUNCIL MEMBERS – None

ABSTAIN: COUNCIL MEMBERS – None



SUSAN J. BLACKSTON
City Clerk